

§§ 305.21—305.57

(6) The State must meet the criteria referred to in §305.98(c) of this part relating to the performance indicators prescribed in §305.98(a).

(b) [Reserved]

[59 FR 66252, Dec. 23, 1994]

§§ 305.21—305.57 [Reserved]

**§305.98 Performance indicators and audit criteria.**

(a) Beginning with the fiscal year 1986 audit period, the Office will use the following performance indicators in determining whether each State has an effective IV-D program.

(1) AFDC IV-D collections divided by total IV-D expenditures (less laboratory cost incurred in determining paternity at State option);

(2) Non-AFDC IV-D collections divided by total IV-D expenditures (less laboratory costs incurred in determining paternity at State option); and

(3) AFDC IV-D collections divided by IV-A assistance payments (Less payments to unemployed parents).

(b) Beginning with the fiscal year 1988 audit period, the Office will use the performance indicators prescribed in paragraph (a) of this section and the following performance indicators in determining whether each State has an effective IV-D program.

(1) AFDC IV-D collections on support due (for a fiscal year) divided by total AFDC support due (for the same fiscal year);

(2) Non-AFDC IV-D collections on support due (for a fiscal year) divided by total non-AFDC support due (for the same fiscal year);

(3) AFDC IV-D collections on support due (for prior periods) divided by total AFDC support due (for the same periods); and

(4) Non-AFDC IV-D collection on support due (for prior periods) divided by total non-AFDC support due (for the same periods).

(c) The Office shall use the following procedures and audit criteria to measure State performance.

(1) The ratio for each of the performance indicators in paragraph (a) of this section will be evaluated on the basis of the scores in the tables in paragraphs (c)(1)(i) through (iii) of this section. The tables show the scores the

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States will receive for different levels of performance.

(i) Dollar of AFDC IV-D collections per dollar of total IV-D expenditures (less laboratory costs incurred in determining paternity at State option).

Level of performance	Score
\$ .00 .....	0
\$ .01–\$.09 .....	2
\$ .10–\$.19 .....	4
\$ .20–\$.29 .....	6
\$ .30–\$.39 .....	8
\$ .40–\$.49 .....	10
\$ .50–\$.59 .....	12
\$ .60–\$.69 .....	14
\$ .70–\$.79 .....	16
\$ .80–\$.89 .....	18
\$ .90–\$.99 .....	20
\$1.00–\$1.19 .....	22
\$1.20–\$1.39 .....	24
\$1.40 or more .....	25

(ii) Dollar of non-AFDC IV-D collections per dollar of total IV-D expenditures (less laboratory costs incurred in determining paternity at State option).

Level of performance	Score
\$ .00 .....	0
\$ .01–\$.09 .....	4
\$ .10–\$.19 .....	8
\$ .20–\$.29 .....	12
\$ .30–\$.39 .....	16
\$ .40–\$.49 .....	20
\$ .50–\$.59 .....	24
\$ .60–\$.69 .....	28
\$ .70–\$.79 .....	32
\$ .80–\$.89 .....	36
\$ .90–\$.99 .....	40
\$1.00–\$1.19 .....	44
\$1.20–\$1.39 .....	48
\$1.40 or more .....	50

(iii) AFDC IV-D collections divided by IV-A assistance payments (less payments to unemployed parents).

Level of performance (in percent)	Score
0 to 1.9 percent .....	0
2 to 3.9 percent .....	5
4 to 4.9 percent .....	10
5 to 5.9 percent .....	15
6 to 6.9 percent .....	20
7 or more .....	25

(2) To be found to meet the audit criteria, a State's total score must equal or exceed 70.

*Examples.* A State achieves levels of performance of \$1.22, \$1.35 and 6.5 percent on the performance indicators in paragraph (a) of this section. The State would receive individual scores of 24, 48 and 20 on these performance indicators. The State would be found to meet the audit criteria because the total score is 92.

A State achieves levels of performance of \$.65, \$.65 and 2.5 percent on the performance indicators in paragraph (a) of this section. The State would receive individual scores of 14, 28 and 5 on these performance indicators. The State would be found not to meet the audit criteria because the total score is 47.

A State achieves levels of performance of \$.92, \$.96 and 4.2 percent on the performance indicators in paragraph (a) of this section. The State would receive individual scores of 20, 40 and 10 on these performance indicators. The State would be found to meet the audit criteria because the total score is 70.

(d) The scoring system provided in paragraph (c) of this section will be described and updated whenever OCSE determines that it is necessary and appropriate by the Office in regulations.

[50 FR 40144, Oct. 1, 1985; 50 FR 49392, Dec. 2, 1985; 59 FR 66253, Dec. 23, 1994]

**§ 305.99 Notice and corrective action period.**

(a) If a State is found by the Secretary on the basis of the results of the audit described in this part not to comply substantially with the requirements of title IV-D of the Act, as implemented by chapter III of this title, the Office will notify the State in writing of such finding.

(b) The notice will:

(1) Cite the State for noncompliance, list the unmet audit criteria, apply a penalty and give reasons for the Secretary's finding;

(2) Identify any audit criteria listed in § 305.20(a)(3) of this part that the State met only marginally [that is, in 75 to 80 percent of cases reviewed for criteria in § 305.20(a)(3)];

(3) Specify that the penalty may be suspended if the State meets the conditions specified in paragraph (c) of this section; and

(4) Specify the conditions that result in terminating the suspension of the penalty as specified in paragraph (d) of this section.

(c) The penalty will be suspended for a period not to exceed one year from the date of the notice if the following conditions are met:

(1) Within 60 days of the date of the notice, the State submits a corrective action plan to the appropriate Regional Office which contains a corrective action period not to exceed one year from the date of the notice and which con-

tains steps necessary to achieve substantial compliance with the requirements of title IV-D of the Act;

(2) The corrective action plan and any amendment are:

(i) Approved by the Secretary within 30 days of receipt of the corrective action plan; or

(ii) Approved automatically because the Secretary took no action within the period specified in paragraph (c)(2)(i) of this section; and

(3) The Secretary finds that the corrective action plan (or any amendment to it approved by the Secretary) is being fully implemented by the State and that the State is progressing to achieve substantial compliance with the unmet criteria cited in the notice.

(d) The suspension of the penalty will continue until such time as the Secretary determines that:

(1) The State has achieved substantial compliance with the unmet criteria cited in the notice and maintained substantial compliance with any marginally-met criteria cited in the notice;

(2) During the corrective action period, the State is not implementing its corrective action plan; or

(3) The State has implemented its corrective action plan but has failed to achieve substantial compliance with the unmet criteria cited in the notice and maintain substantial compliance with any marginally-met criteria cited in the notice. For State plan-related criteria, this determination will be made as of the first full three-month period after the corrective action period. For performance indicator-related criteria, this determination will be made as of the first full four quarters following the end of the corrective action period.

(e) A corrective action plan disapproved under paragraph (c) of this section is not subject to appeal.

(f) Only one corrective action period is provided to a State in relation to a given criterion when consecutive findings of noncompliance are made on that criterion.

(Approved by the Office of Management and Budget under control number 0960-0385)